

# SENATE BILL REPORT

## SHB 1053

---

As Reported By Senate Committee On:  
Transportation, April 5, 1999

**Title:** An act relating to the consolidation of the fuel tax rate, and fuel tax distribution statutes maintaining revenue neutrality among fuel tax recipients.

**Brief Description:** Consolidating the fuel tax rate and distribution statutes.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives Fisher, K. Schmidt, Hatfield, Radcliff, O'Brien, Tokuda, Hurst, Skinner and Hankins; by request of Legislative Transportation Committee).

**Brief History:**

**Committee Activity:** Transportation: 3/31/99, 4/5/99 [DPA].

---

### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended.

Signed by Senators Gardner, Vice Chair; Goings, Vice Chair; Costa, Eide, Finkbeiner, Heavey, Horn, Jacobsen, Johnson, Morton, Oke, Patterson, Sellar, Sheahan, T. Sheldon, Shin and Swecker.

**Staff:** Brad Lovaas (786-7307)

**Background:** Currently, the Washington motor fuel tax rate of 23 cents per gallon is presented in the RCW as three different rates of 17 cents, 1 cent, and 5 cents. As well, the distributions for the 17 cent, 1 cent, and 5 cent rates are found in different sections of RCW 82.36 and RCW 46.68. The distribution for the 17 cents are based on percentages, while the distributions for the 1 cent and 5 cent rates are based on pennies. The combination of different rates and distributions based on percentages and pennies, makes the fuel tax statutes difficult to work with.

**Summary of Amended Bill:** The motor fuel tax statutes are cleaned up by collapsing these motor fuel tax rates into one rate of 23 cents. All of the fuel tax distributions are placed in one section on a percentage basis, while maintaining revenue neutrality.

Motor fuel tax distributions to the small city account and the city hardship assistance account are eliminated and both of their distributions are placed into the urban arterial trust account.

Old sections in the RCW that are no longer necessary for paying off debt service are repealed.

The Treasurer must transfer all of the money in the marine fuel tax refund account that is not required for payment of refund claims or costs to the recreation resource account. The

proportional distribution factor, motor vehicle fuel tax rate in effect January 1, 1990,– is eliminated.

The off-road vehicle (ORV) and nonhighway vehicle accounts receive 1 percent of the full 23 cents per gallon of the motor vehicle fuel tax. All disbursements from these funds after June 30, 2000, must be spent on motorized and nonmotorized users proportionately with their contributions to the motor vehicle fuel tax.

The snowmobile account is also given the full 23 cents per gallon of the motor vehicle fuel tax attributed to snowmobiles.

The Interagency Committee for Outdoor Recreation (IAC) is required to contract out for a study of the source and property distribution of revenues derived from the motor fuel tax paid by nonhighway users. The report must be submitted by September 30, 2001, to the standing committees of the Legislature.

Funds disbursed for grants awarded after December 1, 2001, are spent on motorized and nonmotorized users in proportion to their actual contributions to such funds as determined by the Legislature, pursuant to any recommendations of the required study.

The bill is null and void if not funded in the budget.

**Amended Bill Compared to Substitute Bill:** The cap on transfer of motor vehicle fuel revenues to nonmotorized and off-road vehicle accounts is removed, and a study of the grant distributions from these accounts is required. This will result in a \$6.2 million decrease in the motor vehicle fund, and an increase by a like amount in the nonhighway recreational vehicle accounts for the 1999-01 biennium.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 1999.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** No one.